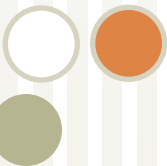


## Principal Residence Update:

**Public Act 96** signed by Gov. Granholm in 2008, allows home sellers to retain two principal resident exemptions for property previously exempt, vacant, and still on the market; even after the seller has moved elsewhere in the state. To see if you qualify for the Conditional Rescission of Principal Residence Exemption (form 4640) please speak to your local assessor directly. The board of review has no authority with regard to a conditional rescission and cannot institute a conditional rescission on behalf of an owner if a deadline is missed or for previous tax years.

A conditional rescission allows an owner to receive a PRE on his or her current property and on previously exempted property simultaneously if the previous principal residence (all must apply):

- ✓ **The property is not occupied.**
- ✓ **The property is for sale.**
- ✓ **The property is not leased.**
- ✓ **The property is not used for any business or commercial purpose.**



Make sure you verify your assessment notification every year to be sure that you have the correct exemption. If you do not please contact your local assessor immediately.



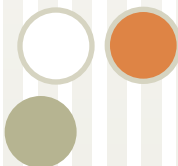
“For property tax relief, concerns, or questions, we are here to help.”

Ann Rosenbaum

### **Ann Rosenbaum**

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## Principal Residence Exemption

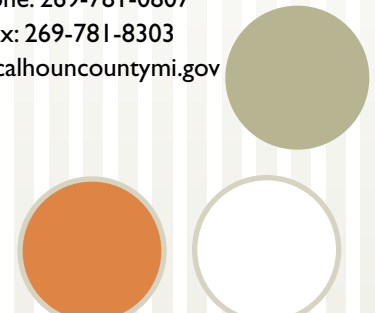


### **Questions and Answers**

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# Questions About Principal Residence Exemption...

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## Q. What determines principal residence?

- A. The criteria Treasury uses to determine principal residence includes such things as: where you are registered to vote; the address on your driver's license; where your children attend school; and the address from which you file your income tax returns.

## Q. Is there a filing deadline to request a homestead exemption?

- A. Yes. Homestead exemption affidavits must be delivered to the local unit of government or postmarked no later than May 1st of the first year of the exemption.

## Q. What year's taxes are affected by the homestead exemption?

- A. Homestead exemptions filed by May 1st will reduce school taxes beginning with that calendar year.

## Q. If I was eligible for the exemption on May 1st but did not file timely, may I still file my claim?

- A. Public Act 74 of 1995 provides for an exemption to be filed by mail or in person at the July or December Board of Review for the year of the claim. To petition the Board of Review you must submit a signed Affidavit for Homestead Exemption (form 2368). A petition must be made at least five days before the date of the Board of Review. A correction can only be for current year and three years prior.

## Q. I am leasing my home with an option to buy. May I claim my home?

- A. No. Leasing with an option to buy is considered a rental agreement, so the home is ineligible.

## Q. May renters file for this exemption?

- A. No. You must own your principal residence to claim an exemption for it.

## Q. I am purchasing my principal residence on a land contract. May I claim the exemption?

- A. Yes. Complete the affidavit using your name, address, social security number and signature, not the information of the land contract holder.



## Q. Is it possible to receive exemption on more than one home?

- A. Yes. If you changed your principal residence prior to May 1, the exemption on your original home will remain on until the end of that year and your new home would also qualify. You could also qualify with the Public Act 96 of 2008 if you meet the criteria.

## Q. I own the lot adjoining and contiguous to my home. It has a different property identification number than the parcel on which my homestead is located. May I also claim an exemption on this property?

- A. You may claim an exemption on this property as long as the property claimed is adjoining or contiguous to your home. It must also be classified as residential and vacant. A road does not break contiguity. File an affidavit for each parcel.



## Q. My Spouse and I each own and occupy separate homes. We file our tax returns as married filing separately. May we each claim our home?

- A. Yes. Spouses who maintain separate principal residences may each claim his or her homestead, unless they file a joint income tax return.

## Q. I live in part of my home and operate a business in another part. May I claim an exemption?

- A. Yes, but only on the portion of the property that is your home. Complete number 12 of the affidavit. You may claim the partial exemption even if the property is classified as commercial.

## Q. I own a duplex. I live in one unit. My father lives in the other unit, but does not pay rent. May I claim an exemption on both units?

- A. No. You may claim an exemption only on the unit you occupy as your principal residence even if there is an adjoining entrance between the units.

## Q. What is a rescission? When is the exemption removed from the tax roll?

- A. The parcel qualified for exemption but has now been sold or the use of the property has changed. The exemption is removed from the tax roll on December 31st of the year in which the change or sale took place. You must rescind your exemption within 90 days of the date of the day you no longer own or occupy the property as your principal residence, whichever comes first.

